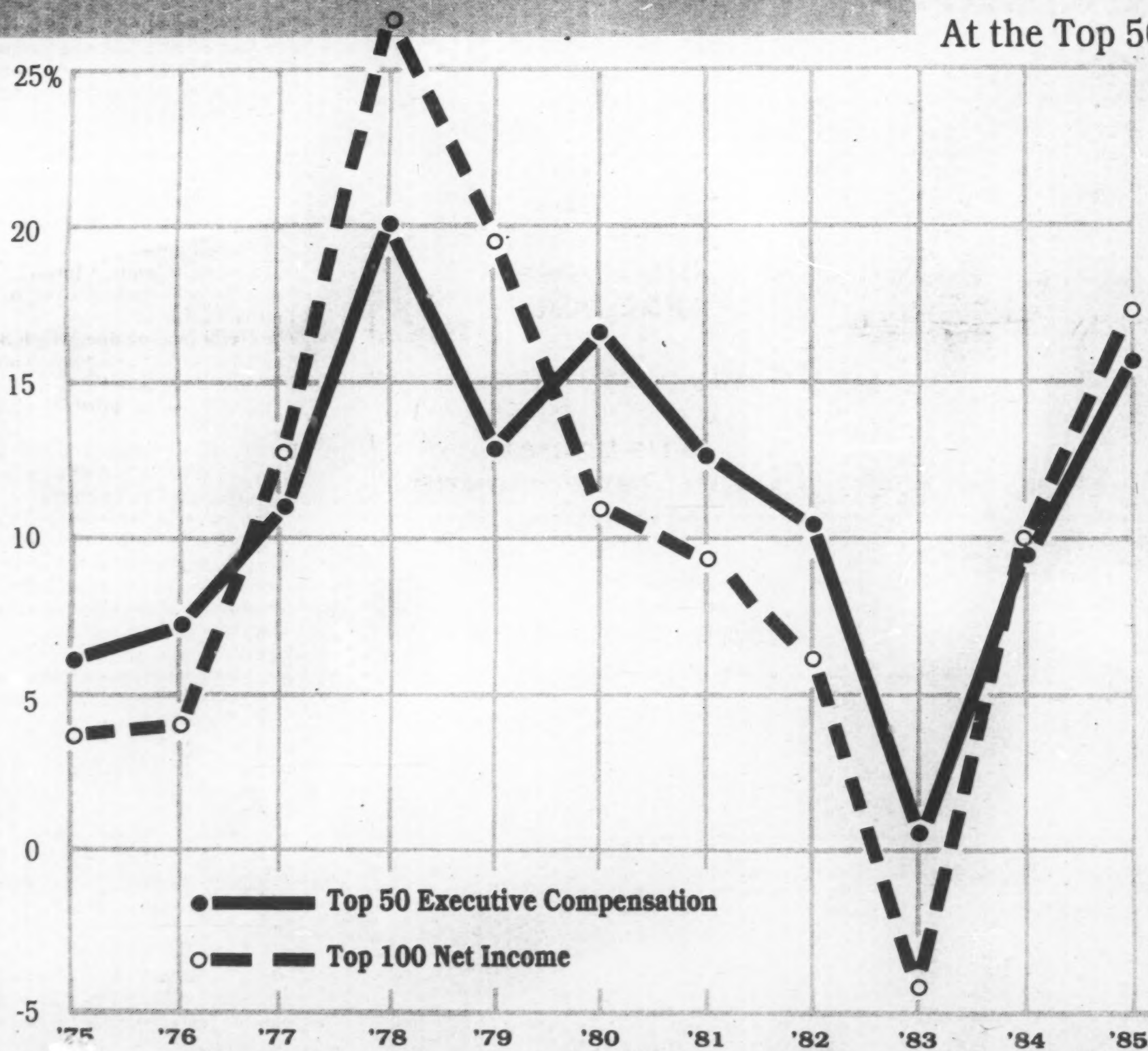


American Banker's Annual Tabulation of

Banking Executives' Compensation

Growth in Executive Compensation
At the Top 50 Banking Firms,
Compared
with the
Growth in
Net Income
At the Top 100
Banking Firms
(1975-1985)



Five Youngest Officers Among Highest Paid

	Age
Alan S. Fellheimer, Chairman, CEO, & President of Equimark	42
John B. McCoy, President of Banc One Corp.	42
Edward E. Crutchfield, Jr., Chairman & CEO of First Union Corp.	44
Samuel Amacost, President of BankAmerica Corp.	46
J. Terrence Murray, Chairman & President of Fleet Fincl Group	46
Average Age of the Highest Paid Executive	56.7

Six Youngest Officers Among Second Highest Paid

	Age
Zuhair Sofia, President of Huntington Bancshares	41
James D. Lowry, Former Chairman, CEO & President of Equimark	42
Richard C. Rishel, President of Continental Bancorp	42
Allen E. Lastinger, Vice Chairman of Barnett Banks of Fla.	43
Walter A. Dods, Jr., President of First Hawaiian Bank	44
Paul Hazen, President of Wells Fargo & Co.	44
Average Age of Second Highest Paid Executive	52.6

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

Compiled by American Banker Copyright 1986

J.P. Morgan & Co., Inc.			
	Rank 1985	Rank 1984	
	1	1	
Compensation	Earnings	Assets	
1985 \$2,185,625	\$705.4	\$69.4	
1984 \$1,793,875	\$537.6	\$64.1	
Change + 21.8%	+ 31.2%	+ 8.2%	




Lewis T. Preston, 59
Ch of HC &
Morgan GuarantyTrust Co.

1985 \$1,246,875
1984 \$1,018,125
+ 22.5%
R,T

Robert V. Lindsay, 60
Pr of HC &
the bank

1985 \$938,750
1984 \$775,750
+ 21.0%
R,T,t

Citicorp			
	Rank 1985	Rank 1984	
	4	2	
Compensation	Earnings	Assets	
1985 \$1,797,333	\$998.0	\$173.6	
1984 \$1,633,667	\$890.0	\$150.6	
Change + 10.0%	+ 12.1%	+ 15.3%	




John S. Reed, 47
Ch of HC

1985 \$969,500
1984 \$704,867
+ 37.5%
R,r,t

Thomas C. Theobald, 48
VC and SE of HC

1985 \$827,833
1984 -----
Change -----
Notes R

Wells Fargo & Co.			
	Rank 1985	Rank 1984	
	7	10	
Compensation	Earnings	Assets	
1985 \$1,557,504	\$190.0	\$29.4	
1984 \$1,248,334	\$169.3	\$28.2	
Change + 24.8%	+ 12.3%	+ 4.4%	




Carl E. Reichart, 54
Ch of HC

1985 \$925,002
1984 \$775,000
+ 19.4%
R,T,r,t

Paul Hazen, 44
Pr of HC

1985 \$632,502
1984 \$473,334
+ 33.6%
Change 33.6%
Notes R,T,r

Chase Manhattan Corp.			
	Rank 1985	Rank 1984	
	2	4	
Compensation	Earnings	Assets	
1985 \$1,941,125	\$564.8	\$87.7	
1984 \$1,527,599	\$405.8	\$86.9	
Change + 27.1%	+ 39.2%	+ 0.9%	




Willard C. Butcher, 59
Ch of Chase
Manhattan Bank NA

1985 \$1,132,250
1984 \$889,351
+ 27.3%
R,r

Thomas G. Labrecque, 47
Pr of the bank

1985 808,875
1984 638,248
+ 26.7%
Change + 26.7%
Notes R,r

Security Pacific Corp.			
	Rank 1985	Rank 1984	
	5	3	
Compensation	Earnings	Assets	
1985 \$1,692,216	\$322.8	\$53.5	
1984 \$1,579,900	\$291.0	\$46.1	
Change + 7.1%	+ 10.9%	+ 16.0%	




R. J. Flanson III, 56
Ch of HC

1985 \$970,634
1984 \$919,500
+ 5.6%
R,T,r,t

George F. Moody, 55
Pr of HC

1985 \$721,582
1984 \$660,400
+ 9.3%
Change + 9.3%
Notes R,T,r,t

Norwest Corp.			
	Rank 1985	Rank 1984	
	8	22	
Compensation	Earnings	Assets	
1985 \$1,412,955	\$107.6	\$21.4	
1984 \$1,007,780	\$69.5	\$21.3	
Change + 40.2%	+ 54.9%	+ 0.3%	




Richard S. Levitt, 55
VC of HC

1985 \$780,345
1984 \$651,780
+ 19.7%
Change + 19.7%
Notes

Lloyd Johnson, 55
CEO of HC

1985 \$632,610
1984 -----
Change -----
Notes R

Bankers Trust New York Corp.			
	Rank 1985	Rank 1984	
	3	5	
Compensation	Earnings	Assets	
1985 \$1,839,000	\$371.2	\$50.6	
1984 \$1,460,600	\$306.8	\$45.2	
Change + 25.9%	+ 21.0%	+ 11.9%	




Alfred Brittain III, 63
Ch of HC

1985 \$1,002,400
1984 \$842,400
+ 19.0%
R,T,r,t

Charles S. Sanford, Jr., 49
Pr of HC

1985 836,600
1984 -----
Change -----
Notes R,T

Manufacturers Hanover Corp.			
	Rank 1985	Rank 1984	
	6	7	
Compensation	Earnings	Assets	
1985 \$1,611,316	\$407.5	\$76.5	
1984 \$1,375,799	\$352.5	\$75.7	
Change + 17.1%	+ 15.6%	+ 1.1%	



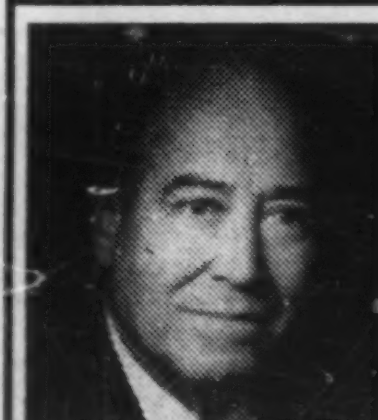

John F. McGillicuddy, 55
Ch & CEO of HC &
Manufacturers Han. Tr. Co.

1985 \$942,400
1984 \$828,434
+ 13.8%
R,Z,r

John R. Torrell III, 46
Pr of HC (since 7/85)
& Pr of the bank

1985 \$668,916
1984 \$547,365
+ 22.2%
Change + 22.2%
Notes R,Z,r

RepublicBank Corp.			
	Rank 1985	Rank 1984	
	9	17	
Compensation	Earnings	Assets	
1985 \$1,375,750	\$140.2	\$23.2	
1984 \$1,117,840	\$137.3	\$21.6	
Change + 23.1%	+ 2.1%	+ 7.5	




James D. Berry, 64
Ch of HC

1985 \$785,000
1984 \$663,133
+ 18.4%
T,r

Gerald W. Fronterhouse, 49
Pr & CEO of HC

1985 \$590,750
1984 -----
Change -----
Notes R

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

Compiled by American Banker Copyright 1986

Mellon Bank Corp.			
	Rank 1985 10	Rank 1984 21	
	Compensation	Earnings	Assets
1985	\$1,315,096	201.7	\$33.4
1984	\$1,047,500	158.5	\$30.6
Change	+ 25.5%	+ 27.3%	+ 9.2%




J. David Barnes, 56 Ch & CEO of HC	George T. Farrell, 55 Pr of HC
\$816,633 1985	\$498,463
\$640,000 1984	\$407,500
+ 27.6% Change	+ 22.3%
R,r Notes	R,r

Texas Commerce Bancshares			
	Rank 1985 13	Rank 1984 11	
	Compensation	Earnings	Assets
1985	\$1,286,000	\$53.0	\$20.1
1984	\$1,241,900	\$183.3	\$20.7
Change	+ 3.6%	- 71.1%	- 3.2%




Ben F. Love, 61 Ch & CEO of HC	Charles C. Beall, Jr. 50 VC of HC
\$790,000 1985	\$496,000
\$774,000 1984	\$467,900
+ 2.1% Change	+ 6.0%
R Notes	R

Chemical New York Corp.			
	Rank 1985 16	Rank 1984 20x	
	Compensation	Earnings	Assets
1985	\$1,230,000	\$390.2	\$57.0
1984	\$1,053,333	\$340.8	\$52.2
Change	+ 16.8%	+ 14.5%	+ 9.1%



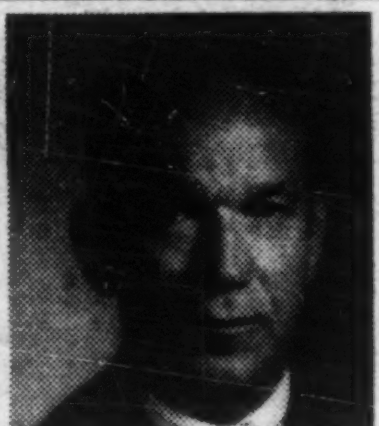

Walter V. Shipley, 50 Ch & CEO of HC & Chemical Bank	Robert J. Callander, 55 Pr of HC & of the bank
\$715,000 1985	\$515,000
\$640,000 1984	-----
+ 11.7% Change	-----
N,n Notes	N

Crocker National Corp.			
	Rank 1985 11	Rank 1984 9	
	Compensation	Earnings	Assets
1985	\$1,303,558	\$38.0	\$19.2
1984	\$1,326,077	(\$324.4)	\$22.3
Change	- 1.7%	+ 111.7%	- 14.0%

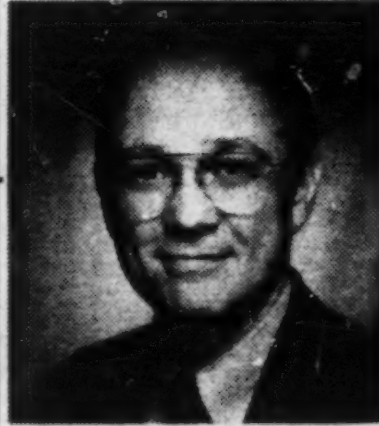



Frank V. Cahouet, 53 Ch & Pr of HC	Richard M. Rosenberg, 55 VC of HC
\$752,387 1985	\$551,171
\$754,539 1984	\$607,538
- 0.2% Change	- 9.3%
g,r Notes	g

Bank of New York Co., Inc.			
	Rank 1985 14	Rank 1984 13	
	Compensation	Earnings	Assets
1985	\$1,269,827	\$130.3	\$18.5
1984	\$1,141,887	\$107.5	\$15.2
Change	+ 11.2%	+ 21.1%	+ 22.0%

J. Carter Bacot, 53 Ch & CEO of HC & Bank of New York	Peter Herrick, 59 Pr of HC & Pr & COO of the bank
\$757,710 1985	\$512,117
\$679,958 1984	\$461,929
+ 11.5% Change	+ 10.9%
R,T,r Notes	R,T




Thomas S. Johnson, 45 Pr of HC and bank	Robert I. Lipp, 47 Pr of HC and bank
\$515,000 1985	\$515,000
----- 1984	-----
--- Change	---
N Notes	N

Irving Bank Corp.			
	Rank 1985 12	Rank 1984 16	
	Compensation	Earnings	Assets
1985	\$1,297,750	\$116.0	\$21.7
1984	\$1,121,500	\$98.1	\$19.0
Change	+ 15.7%	+ 18.2%	+ 14.2%




Joseph A. Rice, 61 Ch & CEO of HC & Irving Trust Co.	Samuel F. Chevalier, 51 Pr of HC & VC of the bank
\$807,750 1985	\$490,000
\$722,750 1984	\$398,750
+ 11.8% Change	+ 22.9%
Change	

First Bank System, Inc.			
	Rank 1985 15	Rank 1984 33	
	Compensation	Earnings	Assets
1985	\$1,267,870	\$166.8	\$25.5
1984	\$875,000	\$131.1	\$22.4
Change	+ 44.9%	+ 27.2%	+ 13.6%




George H. Dixon, 65 Ch & CEO of HC (Retired 11/1/85)	De Walt H. Ankeny, 53 Pr & COO of HC (until 10/31) Ch & CEO of HC (since 11/1)
\$675,337 1985	\$592,533
\$440,000 1984	-----
+ 53.5% Change	-----
R,T,r Notes	R,T

Continental Illinois Corp.			
	Rank 1985 17	Rank 1984 29	
	Compensation	Earnings	Assets
1985	\$1,200,000	\$133.2	\$30.5
1984	\$905,000	(\$1,087)	\$30.4
Change	+ 32.6%	+ 112.3%	+ 0.4%




John E. Swearingen, 67 Ch of HC	William S. Ogden, 58 Ch of Continental Illinois NB&T Co.
\$600,000 1985	\$600,000
----- 1984	\$600,000
----- Change	+ 0%
R Notes	g,r

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

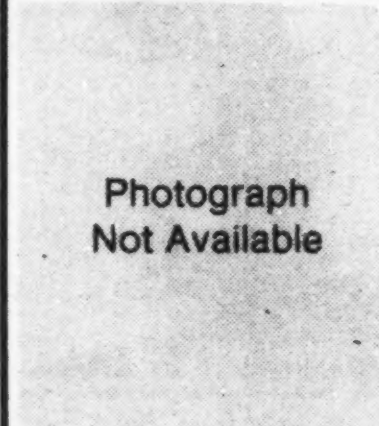
Compiled by American Banker Copyright 1986

NBD Bancorp., Inc.				Rank 1985	Rank 1984
				18	19
	Compensation	Earnings	Assets		
1985	\$1,199,042	\$118.0	\$16.7		
1984	\$1,070,474	\$94.5	\$14.2		
Change	+ 12.0%	+ 24.8%	+ 17.2%		



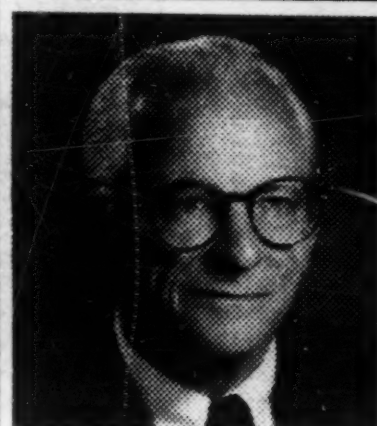
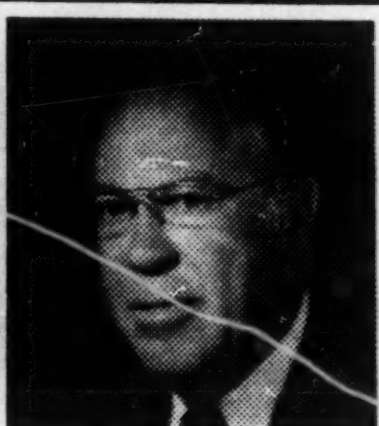

Charles T. Fisher, III, 56 Ch & Pr of HC	Richard H. Cummings, 64 SVC of HC
\$744,179 1985	\$454,863
\$658,790 1984	-----
+ 13.0% Change	-----

Republic New York Corp.				Rank 1985	Rank 1984
				21	23
	Compensation	Earnings	Assets		
1985	\$1,184,553	\$122.1	\$15.3		
1984	\$1,007,651	\$96.5	\$12.4		
Change	+ 17.6%	+ 26.5%	+ 23.8%		



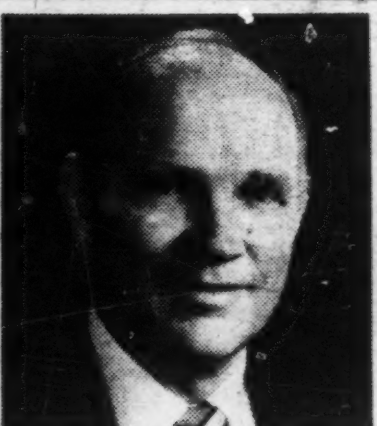

Joshua S. Yedid, 60 VC of HC & of Republic National Bank	Walter H. Weiner, 55 Ch of HC & Pr of bank
\$597,240 1985	\$587,313
\$478,900 1984	\$528,751
+ 24.7% Change	+ 11.1%

National City Corp.				Rank 1985	Rank 1984
				24	24
	Compensation	Earnings	Assets		
1985	\$1,143,000	\$108.4	\$12.5		
1984	\$989,700	\$65.9	\$12.4		
Change	+ 15.5%	+ 64.6%	+ 1.1%		

Julien L. McCall, 65 Ch of HC	J. Robert Killpack, 63 Pr of HC
\$685,000 1985	\$458,000
\$586,800 1984	\$402,900
+ 16.7% Change	+ 13.7%
R,T,r Notes	R,T,r,t

First Interstate Bancorp.				Rank 1985	Rank 1984
				19	14x
	Compensation	Earnings	Assets		
1985	\$1,192,851	\$313.1	\$49.0		
1984	\$1,128,510	\$276.3	\$45.5		
Change	+ 5.7%	+ 13.3%	+ 7.6%		

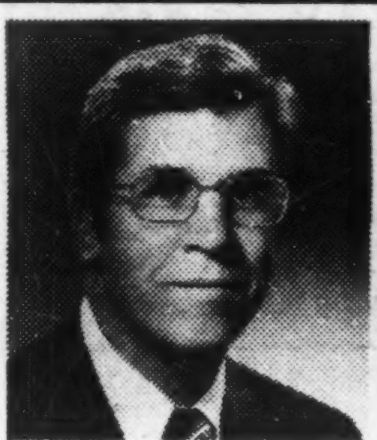
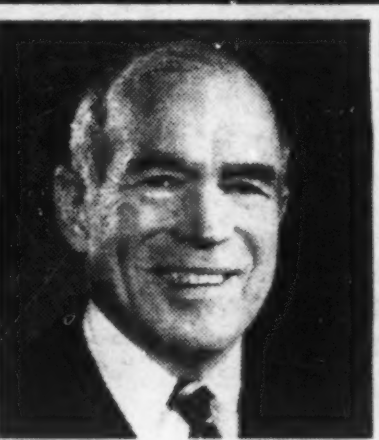
J. J. Pinola, 60 Ch & CEO of HC	Edward M. Carson, 56 Pr of HC, and Ch. CEO, & Pr of First Interstate Bank of Calif.
\$736,050 1985	\$456,801
\$739,610 1984	-----
- 0.5% Change	-----
N,n,T,r,t Notes	N,n,R,T

First Chicago Corp.				Rank 1985	Rank 1984
				22	32
	Compensation	Earnings	Assets		
1985	\$1,166,320	\$169.0	\$38.9		
1984	\$879,119	\$86.4	\$39.8		
Change	+ 32.7%	+ 95.7	- 2.4%		




Barry F. Sullivan, 55 Ch of HC & First National Bank	Richard L. Thomas, 55 Pr of HC & of the bank
\$682,741 1985	\$483,889
\$522,989 1984	\$356,130
+ 30.5% Change	+ 35.9%
R,r Notes	R,T,r

First Union Corp.				Rank 1985	Rank 1984
				25	18
	Compensation	Earnings	Assets		
1985	\$1,126,790	\$173.6	\$16.6		
1984	\$1,084,854	\$80.0	\$7.3		
Change	+ 3.9%	+ 117.0%	+ 126.3%		

Edward E. Crutchfield, Jr., 44 Ch & CEO of HC	Ben T. Craig, 53 Pr of HC
\$677,223 1985	\$449,567
\$505,735 1984	-----
+ 33.9% Change	-----
R,r Notes	R,T

Midlantic Banks, Inc.				Rank 1985	Rank 1984
				20	28
	Compensation	Earnings	Assets		
1985	\$1,189,340	\$65.0	\$7.2		
1984	\$915,125	\$65.0	\$7.2		
Change	+ 30.0%	+ 39.4%	+44.4%		




Robert Van Buren, 60 Ch of HC & Midlantic Nat'l Bank	George E. Stock, 64 Pr of HC & Midlantic NB/North
\$722,710 1985	\$466,630
\$605,250 1984	\$309,875
+ 19.4% Change	+ 50.6%
R Notes	

Equimark Corp., Pittsburgh				Rank 1985	Rank 1984
				23	86
	Compensation	Earnings	Assets		
1985	\$1,158,046	\$5.4	\$2.3		
1984	\$532,247	(\$31.6)	2.6		
Change	+ 117.6%	+ 117.1%	- 13.2%		




Alan S. Fellheimer, 42 Ch, CEO & Pr of HC	James D. Lowry, 42 Former Ch, CEO, & Pr of HC
\$635,113 1985	\$522,933
----- 1984	\$287,740
----- Change	+ 81.7%

Nat'l Westminster Bank USA				Rank 1985	Rank 1984
				26	32x
	Compensation	Earnings	Assets		
1985	\$1,103,604	\$54.6	\$9.8		
1984	\$865,394	\$40.1	\$8.7		
Change	+ 27.5%	+ 36.2%	+ 12.3%		




William T. Knowles, 51 Ch & CEO of the bank	Robert Wallace, 52 Pr & COO of the bank
\$648,832 1985	\$454,772
\$511,622 1984	\$353,772
+ 26.8% Change	+ 28.5%

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

Compiled by American Banker Copyright 1986

First Wachovia Corp.			
	Rank 1985	Rank 1984	
	27	26★	
Compensation	Earnings	Assets	
1985	\$1,067,867	\$187.7	\$17.7
1984	\$950,230★	-----	-----
Change	+ 12.4%	-----%	-----%




John G. Medlin, 52 Pr & CEO of HC	Thomas R. Williams, 57 Ch of HC
\$540,000	1985 \$527,867
\$525,530	1984 \$424,700
+ 2.8%	Change + 24.3
t	Notes R,r

PNC Financial Corp.			
	Rank 1985	Rank 1984	
	30	12	
Compensation	Earnings	Assets	
1985	\$1,044,055	\$187.8	\$18.8
1984	\$1,166,900	\$143.2	\$14.9
Change	- 10.5%	+ 31.2%	+ 26.3%




Roger S. Hillas, 58 Ch of HC & Ch & CEO Provident National Bank	Thomas H. O'Brien, 48 Pr & CEO of HC
\$538,152	1985 \$505,903
\$481,198	1984 -----
+ 11.8%	Change -----
R,r	Notes R,T

Shawmut Corp., Boston.			
	Rank 1985	Rank 1984	
	33	--	
Compensation	Earnings	Assets	
1985	\$1,006,846	\$57.3	\$7.8
1984	N.A.	\$43.6	\$6.5
Change	-----	+ 31.5%	+ 20.2%



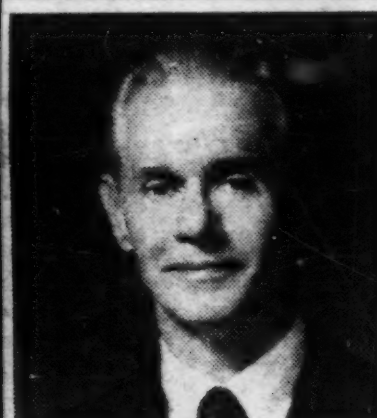

John P. LaWare, 57 Ch & CEO of HC	John P. Hamill, 45 Pr of HC
\$640,292	1985 \$366,554
-----	1984 -----
-----	Change -----
-----	Notes -----

NCNB Corp.			
	Rank 1985	Rank 1984	
	28	39	
Compensation	Earnings	Assets	
1985	\$1,053,982	\$164.5	\$19.8
1984	\$820,000	\$119.2	\$15.7
Change	+ 28.5%	+ 38.0%	+ 26.0




Hugh L. McColl, Jr., 50 Ch of HC & of NCNB; National Bank, Charlotte; & NCNB National Bank, Tampa	Timothy P. Hartman, 46 EVP of HC
\$638,982	1985 \$415,000
\$522,500	1984 -----
+ 22.3%	Change -----

Northern Trust Corp.			
	Rank 1985	Rank 1984	
	31	74	
Compensation	Earnings	Assets	
1985	\$1,031,000	\$34.1	\$7.5
1984	\$637,000	\$22.4	\$7.2
Change	+ 61.9%	+ 52.3%	+ 3.8%

Weston Christopherson, 60 Ch of HC & of Northern Trust Co.	Charles H. Barrow, 55 Pr of HC & of the bank
\$639,000	1985 \$392,000
-----	1984 \$295,000
-----	Change + 32.9%
-----	Notes R

Barnett Banks of Fla., Inc.			
	Rank 1985	Rank 1984	
	34	36	
Compensation	Earnings	Assets	
1985	\$1,005,500	\$128.3	\$14.8
1984	\$842,000	\$103.4	\$12.5
Change	+ 19.4%	+ 24.0%	+ 18.6%




Charles E. Rice, 50 Ch, Pr, & CEO of HC	Albert E. Ernest, Jr., 55 VC of HC
\$657,800	1985 \$347,700
\$542,000	1984 \$300,000
+ 21.4%	Change + 15.9%
R,T,r	Notes R,T,r

Norstar Bancorp Inc.			
	Rank 1985	Rank 1984	
	29	20	
Compensation	Earnings	Assets	
1985	\$1,045,488	\$93.0	\$9.0
1984	\$1,054,515	\$77.3	\$7.9
Change	- 0.9%	+ 20.4%	+ 13.8%

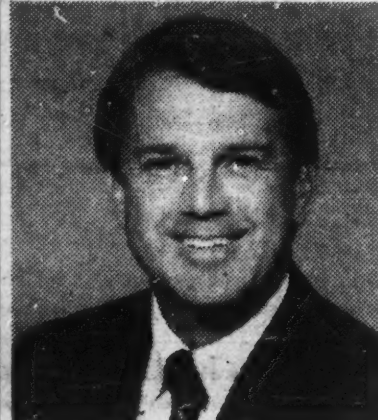



Peter D. Kiernan, 62 Ch & Pr of HC	Frank H. Odell, 63 VC of HC & Ch of Norstar Bk of Upstate NY
\$644,398	1985 \$401,090
\$634,525	1984 \$419,990
+ 1.6%	Change - 4.5%

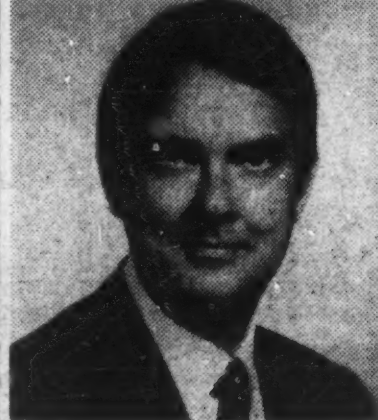
Marine Midland Banks, Inc.			
	Rank 1985	Rank 1984	
	32	43	
Compensation	Earnings	Assets	
1985	\$1,024,353	\$125.1	\$23.4
1984	\$811,845	\$90.4	\$22.1
Change	+ 26.2%	+ 38.4%	+ 6.0%




John R. Petty, 55 Ch & CEO of HC & Marine Midland Bank NA	Richard C. Keller, 48 SEVP of HC & the bank
\$652,838	1985 \$371,515
\$511,980	1984 \$299,865
+ 27.5%	Change + 23.9%
R	Notes R

Earl B. Hadlow, 61 VC of HC	Allen E. Lastinger, 43 VC of HC
\$347,700	1985 \$347,700
\$300,000	1984 \$300,000
+ 15.9%	Change + 15.9%
R,T,g,r	Notes R,T,r



Thomas H. Jacobson, 46 VC of HC
1985 \$347,700
1984 \$300,000
Change + 15.9%
Notes R,T,r

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

Compiled by American Banker Copyright 1986

CoreStates Financial Corp.			
	Rank 1985	Rank 1984	
	35	31	
Compensation	Earnings	Assets	
1985	\$1,002,307	\$114.7	\$11.1
1984	\$883,000	\$104.5	\$9.8
Change	+ 13.5%	+ 9.8%	+ 12.5%



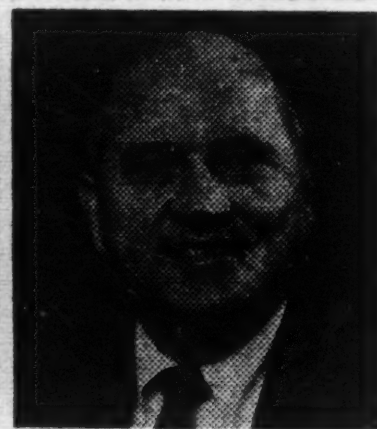

G. Morris Dorrance, Jr., 63 Ch & CEO of HC	Frederick Holding, 61 DCh of HC
\$595,115 1985	\$407,192
\$519,000 1984	\$364,000
+ 14.7% Change	+ 11.9%
R Notes	R

Banc One Corp.			
	Rank 1985	Rank 1984	
	38	40	
Compensation	Earnings	Assets	
1985	\$970,878	\$130.4	\$10.8
1984	\$817,944	\$108.0	\$9.1
Change	+ 18.7%	+ 20.7%	+ 18.9%




John B. McCoy, 42 Pr of HC	John F. Havens, 57 Ch of HC
\$492,267 1985	\$478,611
\$414,234 1984	\$403,710
+ 18.8% Change	+ 18.6%
r Notes	r

Citizens & Southern Ga. Corp.			
	Rank 1985	Rank 1984	
	41	42	
Compensation	Earnings	Assets	
1985	\$940,737	\$124.6	\$13.6
1984	\$815,976	\$72.4	\$8.0
Change	+ 15.3%	+ 72.0%	+ 69.2%

Bennett A. Brown, 56 Ch & CEO of HC	John W. McIntyre, 55 VC of Citizens & Southern National Bank
\$557,044 1985	\$383,693
\$468,153 1984	\$347,823
+ 19.0% Change	+ 10.3%
R,T,r,t Notes	R,T,r,t

BankAmerica Corp.			
	Rank 1985	Rank 1984	
	36	15	
Compensation	Earnings	Assets	
1985	\$995,000	(\$337.2)	\$118.5
1984	\$1,131,250	\$345.5	\$117.7
Change	- 12.0%	- 197.6%	+ 0.7%




Samuel H. Armacost, 46 Pr of HC	Leland S. Prussia, 57 Ch of HC
\$575,000 1985	\$420,000
\$628,750 1984	\$502,500
- 8.5% Change	- 16.4%
R,r Notes	R,r

Fleet Financial Group, Inc.			
	Rank 1985	Rank 1984	
	39	44	
Compensation	Earnings	Assets	
1985	\$970,289	\$82.2	\$7.1
1984	\$808,250	\$65.0	\$5.7
Change	+ 20.0%	+ 26.5%	23.9%




J. Terrence Murray, 46 Ch & Pr of HC	Robert L. Mushkin, 46 SVP of HC
\$653,462 1985	\$316,827
\$540,000 1984	\$268,250
+ 21.0% Change	+ 18.1%
R,T,r,t Notes	R,T,r

Hartford National Corp.			
	Rank 1985	Rank 1984	
	42	37x	
Compensation	Earnings	Assets	
1985	\$940,569	\$80.4	\$8.3
1984	\$820,030	\$58.6	\$6.2
Change	+ 14.7%	+ 37.1%	+ 34.7%



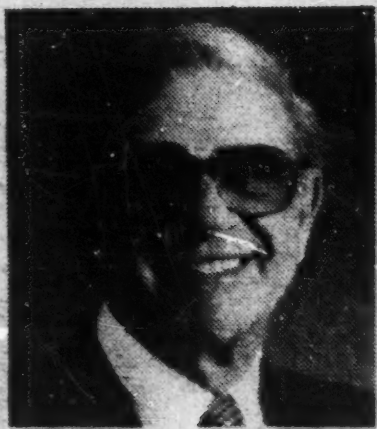

Robert L. Newell, 63 Ch & CEO of HC & of Conn Nat'l Bk	Joel B. Alvord, 47 Pr & COO of HC & the bank
\$512,691 1985	\$427,878
\$444,630 1984	\$375,400
+ 15.3% Change	+ 14.0%
R,T,r,t Notes	R,r,t

Bank of New England Corp.			
	Rank 1985	Rank 1984	
	37	89	
Compensation	Earnings	Assets	
1985	\$987,737	\$131.2	\$17.8
1984	\$10,733	\$46.3	\$6.8
Change	+ 93.4%	+ 183.5%	+ 163.6%




Walter J. Connolly, Jr., 57 Ch of HC & of Connecticut Bank & Trust Co. NA	Peter H. McCormick, 49 VC & Pr of HC & Ch of Bank of New England NA
\$564,354 1985	\$421,383
----- 1984	288,233
----- Change	+ 46.2%
R Notes	R,g

City National Corp.			
	Rank 1985	Rank 1984	
	40	34	
Compensation	Earnings	Assets	
1985	\$941,442	\$24.2	\$2.5
1984	\$857,000	\$19.8	\$2.2
Change	+ 9.9%	+ 21.9%	+ 11.2%




Bram Goldsmith, 63 Ch & CEO of HC	Alexander Kyman, 56 Pr & COO of HC
\$701,442 1985	\$240,000
\$641,000 1984	-----
+ 9.4% Change	-----

First Fidelity Bancorp.			
	Rank 1985	Rank 1984	
	43	54	
Compensation	Earnings	Assets	
1985	\$937,541	\$93.8	\$12.6
1984	\$748,463	\$85.7	\$10.7
Change	+ 25.3%	+ 9.5%	+ 18.2%



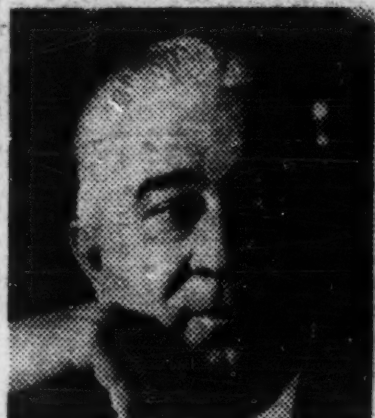

Robert R. Ferguson, Jr., 62 Pr & CEO of HC	Edward D. Knapp, 51 SEVP of HC & Pr. & CEO of First Fidelity Bank NA, Newark
\$569,958 1985	\$367,583
\$470,375 1984	\$278,088
+ 21.2% Change	+ 32.2%
R,T,r Notes	R,T,r

Top 50 Banking Companies in Executive Pay

Based on 1985 Compensation to Top Two Executives

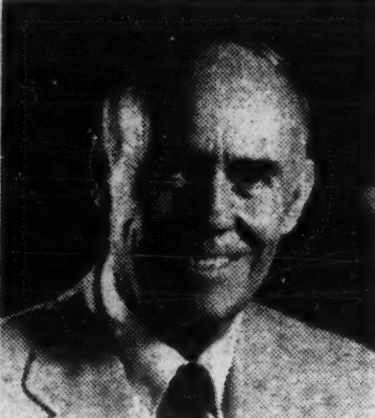
Compiled by American Banker Copyright 1986

First Hawaiian, Inc.				Rank 1985 44	Rank 1984 48
	Compensation	Earnings	Assets		
1985	\$934,050	\$27.2	\$3.2		
1984	\$771,179	\$24.2	\$2.8		
Change	+ 21.1%	+ 12.1%	+16.9%		



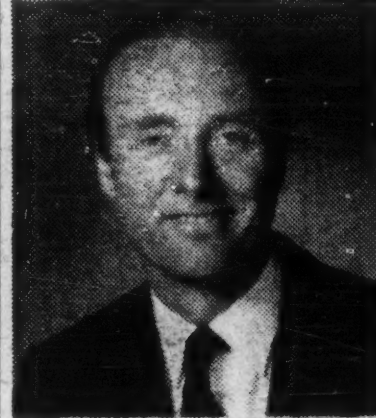
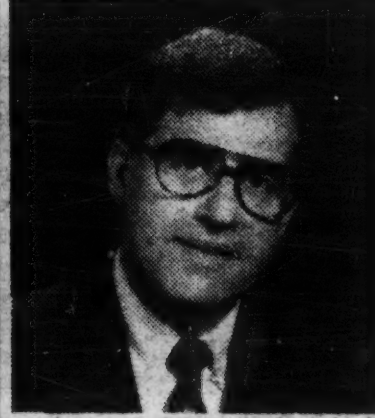

John D. Bellinger, 62 Ch & CEO & Pr of First Hawaiian Bank	Walter A. Dods, Jr., 44 Pr of the bank
\$605,885 1985	\$328,165
\$514,636 1984	\$256,543
+ 17.7% Change	+ 27.9%

United Bancorp. of Arizona				Rank 1985 47	Rank 1984 53
	Compensation	Earnings	Assets		
1985	\$913,474	\$20.3	\$2.2		
1984	750,790	\$16.2	\$1.7		
Change	+ 21.7%	+ 25.7%	+ 28.1%		

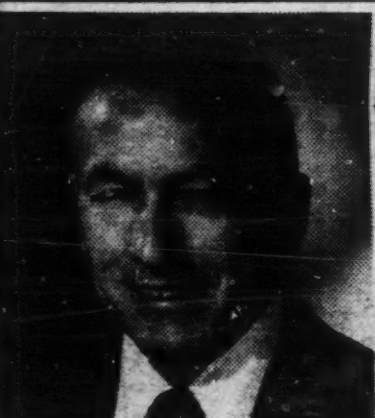
James P. Simmons, 61 Ch & Pr of HC	H.S. Pickrell, 62 VP of HC
\$561,974 1985	\$351,500
\$435,790 1984	\$315,000
+ 29.0% Change	+ 11.6%

Huntington Bancshares, Inc.				Rank 1985 60	Rank 1984 45
	Compensation	Earnings	Assets		
1985	\$902,200	\$52.5	\$6.2		
1984	\$791,800	\$43.7	\$5.6		
Change	+ 13.9%	+ 20.2%	+ 11.9%		

Frank Wobst, 52 Ch of HC & Ch, Pr, & CEO Huntington NB, Columbus	Zuheir Sofia, 41 Pr of HC & VC of the bank
\$569,000 1985	\$333,200
\$516,150 1984	\$275,650
+ 10.2% Change	+ 20.9%
R,T,r,t	Notes
	R,T,r

Society Corp.				Rank 1985 45	Rank 1984 58
	Compensation	Earnings	Assets		
1985	\$923,939	\$60.3	\$8.7		
1984	\$736,131	\$43.6	\$5.8		
Change	+ 25.5%	+ 38.3%	+ 49.9%		



Photograph
Not Available

Gordon E. Heffern, 61 Ch & CEO of HC	Wilson Brown, 59 Pr of HC
\$490,750 1985	\$433,189
\$443,532 1984	\$292,599
+ 10.6% Change	+ 48.0%
R,T,r,t	Notes
	R,T,r,t

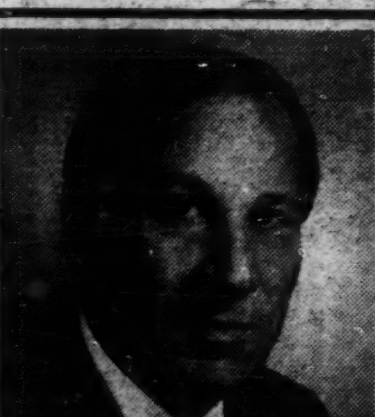
First City Bancorp. of Texas				Rank 1985 48	Rank 1984 38
	Compensation	Earnings	Assets		
1985	\$908,585	\$41.8	\$16.8		
1984	\$826,543	\$81.0	\$17.3		
Change	+ 9.9%	- 48.4%	- 2.9%		



Photograph
Not Available

James A. Elkins, Jr., 67 SrCh & CEO of HC	Daniel C. Arnold, 58 Ch & Pr of HC
\$500,214 1985	\$408,371
\$441,381 1984	-----
+ 13.3% Change	-----
R,Z	Notes
	R,Z

Continental Bancorp., Inc.				Rank 1985 46	Rank 1984 --
	Compensation	Earnings	Assets		
1985	\$919,594	\$51.0	\$4.7		
1984	N.A.	\$38.6	\$4.2		
Change	-----	+ 32.0%	+ 13.4%		




Roy T. Perrino, 57 Ch & CEO of HC	Richard C. Rishel, 42 Pr & CAO of HC
\$561,838 1985	\$357,756
----- 1984	-----
----- Change	-----
R,T	Notes
	R,T

Bank of Boston Corp.				Rank 1985 49	Rank 1984 37
	Compensation	Earnings	Assets		
1985	\$907,433	\$173.8	\$28.3		
1984	\$826,608	\$164.1	\$22.1		
Change	+ 9.8%	+ 5.9%	+ 28.2%		




William L. Brown, 63 Ch & CEO of HC	Ira Stepanian, 49 Pr & COO of HC
\$567,095 1985	\$340,338
\$542,477 1984	\$284,131
+ 4.5% Change	+ 19.8%
R	Notes
	R

FOOTNOTES

Executive remuneration, as defined by American Banker, is total compensation — whether current or deferred — paid or credited for services during 1985 to the two highest paid officers of the organization.

Included are the following: salary, bonus and incentive payments, profit sharing, and all other remuneration such as insurance premiums, club membership fees, and tax service fees paid by the corporation for the executive.

Excluded are the following: pension plan payments; retirement plan payments or accruals; stock options exercised; stock appreciation rights; and contingent long-term bonus payments which are based on the company's performance for a period greater than one year.

The American Banker ranking is based on total remuneration paid to the top two executives of the company. The corporation's rankings for both 1985 and 1984 are shown to the right of the corporation's name. Total remuneration for the top two executives, for both 1985 and 1984, is reported to the nearest dollar in the column entitled "Compensation". The compensation paid for executives number one and number two for both 1985 and 1984 appear beneath their respective pictures.

The column labeled "Earnings" represents the net income of the corporation for 1985 and for 1984. Earnings are reported in millions of dollars. The 1984 net income figure is the figure reported by the corporation in 1985 and has not been revised for mergers or changes in accounting principles.

The column labeled "Assets" are the total year end assets of the corporation in billions of dollars. Again, the 1984 data are as reported in 1985.

The row labeled "Change" shows the respective percentage changes in compensation, earnings, and assets.

Footnotes that are relevant to the compensation figures reported for each executive appear in the row labeled "Notes". Footnotes which refer to 1985 data are capitalized and footnotes referring to 1984 data are lower case.

The titles shown for the executives are those for which they received compensation, excluding directorships. Title abbreviations are listed below.

No 1984 data are shown for an executive, if he was not one of the two highest paid in his company in 1984.

Title abbreviations	
CAO	Chief Accounting Officer
CEO	Chief Executive Officer
CEx	Chairman of the Executive Committee
Ch	Chairman of the Board
CM	Chairman of the Management Committee
COO	Chief Operating Officer
DCh	Deputy Chairman of the Board
EVP	Executive Vice President
HC	Holding Company
Pr	President
Sec	Secretary
SE	Sector Executive
SEVP	Senior Executive Vice President
SrCh	Senior Vice Chairman of the Board
Tr	Treasurer
VC	Vice Chairman
VP	Vice President

NOTES: Footnotes pertaining to 1985 remuneration are capitalized, and footnotes pertaining to 1984 remuneration are shown in lower case. These footnotes are listed below.

G,g Includes latest salary during the year, at an annual rate, for an officer hired or promoted during the year.

H,h Also received a bonus in stock.

P,p Includes salary at an annual rate for an officer who left the firm, retired, or died during the year.

N,n Also credited with contingent, deferred compensation, based on the long-term performance of the company. This compensation is not included in the figures above.

R,r Also granted stock options.

S Exercised stock appreciation rights.

T,t Stock options exercised during the year.

u Includes amounts earned on deferred compensation attributable to prior years' performance, as reported in the corporation's proxy.

V,v Includes cash value of award in stock.

x 1984 data revised by the corporation. 1984 rank is based on the revised data.

Y,y Also received dividends on restricted stock shares, which are not included.

Z Also received dividends on restricted stock shares. Data from proxy did not identify the amount, therefore dividends are included.

* Data and rank for 1984 are pro forma.

Morgan Leads Way as Banks Boost Pay and Perks of Top Execs

➔ Continued from Page 1
from the \$775,750 he earned in 1984 when he ranked ninth.

These are some of the findings of the *American Banker's* annual survey of remuneration of the two highest-paid officers at each of the top 50 bank holding companies, ranked in terms of executive compensation.

Morgan — the nation's fifth largest banking firm in assets, with \$69.4 billion on Dec. 31, and the second largest in earnings, with net income of \$705.4 million in 1985 — was the top firm in executive compensation for the second year in a row. Its gain in executive remuneration was attributable to the 31.2% growth in Morgan's net income last year.

The *American Banker* also finds deregulation is helping to raise the compensation paid to bank executives. Deregulation has allowed banks to compete more effectively in the financial services arena, giving banks greater opportunities to increase earnings. And since more than 80% of the growth in executive compensation at the top 50 firms is explained by the growth in bank earnings, higher bank earnings mean higher salaries to the executives who generate those earnings.

For example, since deregulation — or the period 1981 to 1985 — compensation paid to the top two executives at the nation's top 50 banking firms has risen 40%, while net income at the top 100 firms has jumped up 55%.

The Hay Group, a worldwide human resources consulting firm based in Philadelphia, finds that both the growth and the level of compensation paid to bank executives at midsize banking firms have surpassed the growth and level of salaries at midsize insurance firms and industrial firms over the period 1981 to 1985. Average pay of an executive at a midsize bank, as shown in the Hay Group study, rose 30.3% over the period from \$166,100 in 1981 to

\$216,400 in 1985.

Over the same period, pay to insurance executives rose 20.1% from \$159,400 to \$191,400, and pay to industrial executives at midsize companies rose only 4.4% — from \$192,600 to \$201,000.

According to Daniel Glasner, a vice president at the Hay Group, the difference in growth "is due, in part, to the difficult period for industrials." But, he adds, it seems clear that deregulation in the financial services industry also played an important role.

Executive remuneration, as defined by the *American Banker*, is total compensation — whether current or deferred — paid or credited for services during 1985 to the two highest-paid officers of the company. Included are salary, bonus incentive payments, profit sharing, and all other remuneration related to 1985 services. Excluded are pension plan payments, retirement plan payments or accruals, stock options exercised, stock appreciation rights, and contingent, long-term bonus payments.

For example, the *American Banker* did not include in its 1985 remuneration totals for Mr. Preston and Mr. Lindsay the value of their stock options exercised. For Mr. Preston, stock options exercised totaled \$94,699 in 1985, and for Mr. Lindsay the amount was \$686,353.

Among the 100 executives in the survey, 61 were granted stock options in 1985, and 36 exercised their options. The value of these exercised options totaled \$5.6 million last year for 33 of the 36 executives for which data were available, up 12% from \$5 million reported by 26 executives in 1984.

The 10 Highest Paid Bankers

Among the 10 highest-paid bankers, three earned more than \$1 million last year, compared with one in 1984. In addition to Mr. Preston, Willard C.

10 Highest Paid Bank Executives

Rank 1985	Rank 1984	Executive	Remuneration 1985	Remuneration 1984
1	1	Lewis T. Preston Chairman of J.P. Morgan & Co. & Morgan Guaranty Trust Co.	\$1,246,875	\$1,018,125
2	5	Willard C. Butcher Chairman of Chase Manhattan Bank NA	1,132,250	889,351
3	6	Alfred Brittain III Chairman of Bankers Trust New York Corp.	1,002,400	842,400
4	3	R.J. Flamson III Chairman of Security Pacific Corp.	970,634	919,500
5	--	John S. Reed Chairman of Citicorp	969,500	704,867
6	7	John F. McGillicuddy Chairman & CEO of Manufacturers Hanover Corp. & Manufacturers Hanover Trust Co.	942,400	828,434
7	9	Robert V. Lindsay President of J.P. Morgan & Co. & Morgan Guaranty Trust Co.	938,750	775,750
8	10	Carl Reichardt Chairman of Wells Fargo & Co.	925,002	775,000
9	--	Charles S. Sanford, Jr. President of Bankers Trust New York Corp.	836,600	-----
10	--	Thomas C. Theobald Vice Chairman and Sector Executive of Citicorp	827,833	-----

* — Includes total dollar amount of salary, bonus or incentive payments, profit sharing, and all other remuneration (such as insurance premiums, club membership fees, and tax service fees paid by the corporation for the executive), whether current or deferred, attributable to services in 1985. Excluded are pension plan payments or accruals; stock options exercised; contingent, long-term performance awards; and amounts expensed as compensation arising from stock appreciation rights.

Butcher, the chairman of the Chase Manhattan Corp., earned \$1.13 million in 1985, up 27.3% from the \$889,351 he earned in 1984. And Alfred Brittain 3d, the chairman of Bankers Trust New York Corp., earned \$1 million, up 19% from the \$842,400 he earned in 1984.

New York banks were the home of eight of the 10 highest-paid bankers in the nation last year, while California was the home for the other two bankers in the top 10.

R.J. Flamson 3d, chairman of Security Pacific Corp., was the highest-paid non-New York banker and the fourth highest paid overall, earning \$970,634 for 1985 services. This was up 5.6% from the \$919,500 he earned in 1984, when he ranked as the third-highest-paid banker in the nation.

Of the 10 highest-paid bankers, the three youngest ranked fifth, ninth, and 10th. In fifth place, John S. Reed, the 47-year-old chairman of the nation's largest banking firm, Citicorp, earned \$969,500 in 1985, up 37.5% from \$704,867 earned in 1984. Charles S. Sanford Jr., the 49-year-old president of Bankers Trust, ranked ninth with \$836,600. Thomas C. Theobald, the 48-year-old vice chairman and sector executive of Citicorp was 10th with \$827,833 in executive compensation.

Among the 50 highest-paid executives in the survey, the youngest were Alan S. Fellheimer, the 42-year-old chairman, chief executive officer, and president of Equimark Corp., Pittsburgh, and John B. McCoy, the 42-year-old president of Banc One Corp., Columbus, Ohio.

Mr. Fellheimer replaced James D. Lowry as chairman in July of 1985, when Mr. Lowry resigned. Mr. Fellheimer was paid \$635,113 last year, and Mr. Lowry received \$522,933. Their combined compensation of \$1.16 million ranked Equimark 23d among the top banking firms in compensation last year, up 63 places from 1984, when the company's top two executives — Mr. Lowry and William E. Bierer — had combined compensation of only \$532,247.

Mr. McCoy earned \$492,267 last year, an increase of 18.8% from 1984. Banc One ranked 38th in executive remuneration of its top two officers, with \$970,878 last year, up from \$817,944 in 1984, when it ranked 40th.

Among the 50 second-highest-paid executives, the youngest was 41-year-old Zuheir Sofia, president of Huntington Bancshares Inc., Columbus, Ohio. Mr. Sofia earned \$333,200 last year, up 20.9% from \$275,650 in 1984. Huntington Bancshares, with \$902,200 paid to its top two officers, ranked 50th among banking firms in executive pay last year.

Among the top 50 firms, the average age of the highest-paid executive was 56.7 years. And the average age of second-highest-paid executive was 52.6 years.

Top Firms in Executive Compensation

Following J.P. Morgan in remuneration of its two top executives were three other New York City-based firms: the Chase Manhattan Corp., Bankers Trust New York Corp., and Citicorp.

Chase had a 27.1% gain in remuneration paid its top two executives, moving it into second place in executive remuneration, with \$1.94 million paid to its top two executives in 1985. This compares with \$1.53 million paid a

Salaries: Page 35 ➔

This announcement is neither an offer to sell nor a solicitation of offers to buy any of these securities.
The offering is made only by the Prospectus and the related Prospectus Supplement.

NEW ISSUE

May 27, 1986

\$75,000,000

Society CORPORATION

8 $\frac{7}{8}$ % Notes Due 1996

Price 99.181%

plus accrued interest, if any, from June 2, 1986

Copies of the Prospectus and the related Prospectus Supplement may be obtained in any State in which this announcement is circulated only from such of the undersigned as may legally offer these securities in such State.

The First Boston Corporation

Goldman, Sachs & Co.

Salomon Brothers Inc

Alex. Brown & Sons
Incorporated

McDonald & Company
Securities, Inc.

Merrill Lynch Capital Markets

Morgan Stanley & Co.

Incorporated

Shearson Lehman Brothers Inc.

Keefe, Bruyette & Woods, Inc.

Prescott, Ball & Turben, Inc.

The Markets

Money Market.

Tuesday, May 27, 1986

Federal funds range	6 1/2-6%	
Prime rate (4/22/86)	8 1/2%	
Discount rate FRB of New York (4/18/86)	6 1/2%	
Call Loans on Securities:		
To brokers on stock exchange collateral	7 3/4%	
To dealers on U.S. Gov't Securities	7 1/4%	
Bankers Accepts. offering rate—discount basis (5/27/86)		
30 days—6.65	60 days—6.59	90 days—6.52
120 days—6.50	180 days—6.45	
NY City Banks' CDs — Highest Offering Rate (5/27/86)		
14 days—6.25	30 days—6.35	60 days—6.35
90 days—6.35	120 days—6.35	150 days—6.35
180 days—6.35	270 days—6.50	360 days—6.55
Aaa Dealer Comm'l paper—discount basis (5/27/86)		
30 days—6.65	60 days—6.65	90 days—6.60
Comm'l Paper Directly Placed—Range disc. Basis (5/27/86)		
5-14 days—6.00-6.65	15-29 days—6.00-6.70	
30-59 days—6.00-6.70	60-89 days—6.00-6.65	
90-179 days—6.00-6.65	180-270 days—6.00-6.50	
Eurodollar Deposits—London bid (5/27/86)		
Overnight—6%	7 days—7%	
1 mo.—6%	3 mos.—6%	
6 mos.—6%	1 year—7 1/4%	
NIBOR (6-month)	7 1/4-7 1/2%	
LIBOR (6-month)	7 1/4-7 1/2%	

Futures Markets

The Bond Buyer Municipal Bond Index

	May 27, 1986	May 23, 1986	May 20, 1986
Index	N.A.	N.A.	N.A.
Yield	N.A.	N.A.	N.A.

The Bond Buyer Municipal Bond Index was designed by the Chicago Board of Trade to serve as the basis for trading Long-Term Municipal Bond futures contracts when approved by the Commodity Futures Trading Commission. The index represents an average of the figures obtained when the price of each of 40 select term bonds is divided by a figure derived from the amount at which the bond would be priced to yield 8% in all computations, the maturity of a bond is represented by its first call at par. The index is computed daily and is quoted in points and 32nds.

3-Month Domestic CD Futures (IMM)*

Delivery Month	High	Low	Settle	Change (a)	Yield(b)
June '86	N.A.	N.A.	N.A.	N.A.	N.A.
Sept. '86	N.A.	N.A.	N.A.	N.A.	N.A.
Dec. '86	N.A.	N.A.	N.A.	N.A.	N.A.
Mar. '87	N.A.	N.A.	N.A.	N.A.	N.A.
Sept. '87	N.A.	N.A.	N.A.	N.A.	N.A.

As of the previous day's close; Total no. of contracts traded: N.A. total open interest: N.A. and change in open interest: N.A.

3-Month T-Bill Futures (IMM)**

Delivery Month	High	Low	Settle	Change (a)	Yield(b)
June '86	N.A.	N.A.	N.A.	N.A.	N.A.
Sept. '86	N.A.	N.A.	N.A.	N.A.	N.A.
Dec. '86	N.A.	N.A.	N.A.	N.A.	N.A.
Mar. '87	N.A.	N.A.	N.A.	N.A.	N.A.
June '87	N.A.	N.A.	N.A.	N.A.	N.A.
Sept. '87	N.A.	N.A.	N.A.	N.A.	N.A.
Dec. '87	N.A.	N.A.	N.A.	N.A.	N.A.
Mar. '88	N.A.	N.A.	N.A.	N.A.	N.A.

As of the previous day's close; Total no. of contracts traded: N.A. total open interest: N.A. and change in open interest: N.A.

Footnotes to Futures Tables

*—For 90-day or 3-month domestic certificates of deposit having a face value at maturity of \$1 million.
 **—For three month U.S. Treasury Bills having a face value at maturity of \$1 million.
 a—Change from previous day's settlement price in basis points.
 b—100.00 minus settlement price.
 IMM—Traded on the International Monetary Market, a division of the Chicago Mercantile Exchange.
 r—New record high in open interest.

American Banker Index

Selected Money Center Bank Stocks*

	High	Low	Last
May 23 ...379.4	1986	388.7	311.2
May 23 ...378.0	1985	344.2	242.7
May 22 ...369.5	1984	269.6	178.4
May 21 ...362.8	1983	299.6	223.1
May 20 ...357.6	1982	268.2	168.7

* Based on midday prices.

Gold Coins

Coin Name & Weight	\$ Value per Coin	May 27	May 23
Krugerrand (1 Troy oz.)	344.90	344.90	
Maple Leaf (1 Troy oz.)	355.40	355.40	
Mexican Onza (1 Troy oz.)	357.40	357.40	
Chinese Panda (1 Troy oz.)	365.50	365.50	
U.S. Medallion (1 Troy oz.)	351.40	351.40	
Mexican 50 Peso (1.2 Troy oz.)	427.80	427.80	
Austrian 100 Corona (.98 Troy oz.)	336.40	336.40	
S. Afr. 1/4 Rand (.25 Troy oz.)	94.30	94.30	
U.S. Medallion (.50 Troy oz.)	176.20	176.20	

These quotes represent the N.Y. fixing price, which are a midpoint between what buyers are bidding and sellers are asking. The prices are quoted by Manfra Tordella & Brookes, but may vary among dealers, depending on market conditions.

Answer . . .

➔ Continued from Page 4

released the funds that the purported drawer of the check had no account with First Penn. (United States Fidelity and Guaranty Co. v. Federal Reserve Bank of New York v. State Bank of Albany v. Philadelphia National Bank, 620 F. Supp. 361, U.S. District Court, N.Y. Oct. 8, 1985.)

Marketing . . .

➔ Continued from Page 6

trend output indicating the percentage of "yes" answers to each question for every employee, branch, and region in the system.

3. **Employee surveys.** Complaint analysis and customer surveys offer the customer's perspective of the bank's quality of service. Equally important—and frequently overlooked—is the service provider's perspective. The service provider's views can provide rich insight into the causes of service quality problems. Whereas customers may report that contact personnel appear unmotivated to please customers, only the contact personnel know why they are unwilling to work hard to please customers. Maximizing the benefits of quality measurement requires investigation of the "why" issues, not just the "what" issues.

Surveying employees is important for another reason as well. Since contact employees are the "customers" of various internal support services, they are in the best position to assess the quality of these "intermediate" services. Two sets of service quality customers must be satisfied in banking: external customers and internal customers. The internal customers are the customer contact employees who depend on operational support services to serve external customers. Monitoring the quality of intermediate service is imperative for any bank management serious about improving quality of service.

Dear Reader,
How Are We Doing?

The American Banker wants very much to make sure its coverage of the financial services industry meets your information needs. So would you spend a moment to give us some feedback on the **Executive Remuneration at the Top 50 Banking Firms** survey that appears in today's edition? Over the past year we have incorporated many of your suggestions to provide more meaningful information. Please return this questionnaire to L. Michael Cacace, Statistical Chief, American Banker, One State Street Plaza, New York, N.Y. 10004 (212) 943-4836.

(1.) How would you change the tabulation to make it more useful? What would you add?

(2.) What do you like best about this tabulation?

(3.) What do you like least about this tabulation?

(4.) How do you use this information in your work?

(5.) What new statistical survey would you like to see?

Name (optional) _____

Title _____

Company _____

Address _____

Phone _____

I recommend a periodic employee tracking survey that would include such questions as the following:

• If you could make one change at the bank to improve the overall level of employee motivation, what change would you make?

• What is the biggest problem you face day in and day out trying to deliver a high quality of service?

• If you were president of the bank and could make only one change to improve service quality, what change would you make?

Actions speak louder than words in the development of an organization's culture. There is much talk in banking

Counselor's . . .

➔ Continued from Page 14

Company Act, to dictate the activities that a bank holding company may engage in directly or through a nonbank subsidiary, which are limited to activities determined to be "closely related to banking." But it can be argued that the Fed's authority under the holding company act does not reach activities conducted by a bank subsidiary. Those activities, some contend, are regulated solely by the Comptroller (if a federally chartered bank) or the state regulatory authority (if state-chartered).

FDIC May Impose Own Limitations

Since all District banks must be insured, the FDIC may impose limitations of its own. The FDIC has in the past imposed conditions upon the affiliations of insured state non-Fed member banks with companies engaged in securities activities, for the purpose of protecting the safety and soundness of the banks. Under a rule adopted in November 1984, the FDIC limited investments by insured nonmember banks in securities subsidiaries to "bona fide"

today about quality of service. But talk alone will not produce the service-minded culture many senior bank executives have in mind. People in organizations learn what is important by what managers do more so than by what managers say.

One way for bank executives to encourage quality of service is to measure it. Employees get the message that management is serious about quality if management keeps score. The scorecard is *real*. When management links the measurement system back to service standards, and forward to service rewards, then it is all the more clear that quality counts!

subsidiaries and restricted the underwriting activities of those subsidiaries to investment-quality debt and equity issues and certain investment companies and money market funds. Restrictions also were placed upon affiliations with securities companies, transactions with securities subsidiaries or affiliates, and certain tying arrangements with securities subsidiaries or affiliates. These restrictions will somewhat limit the leeway otherwise allowed District banks.

The new banking law offers a clear route for the entry of money center banks into the District financial market if they are willing to invest substantial resources in the local community. In return, the money center banks are offered the freedom to greatly expand their financial products and services in a market that presents tremendous opportunities for profit. Whether the Fed and other regulatory agencies will permit acquired District banks to engage in the full scope of nonbanking activities permitted by District law, however, remains to be seen.

Salaries . . .

➔ Continued from page 34

year earlier when it ranked fourth. The gain was attributable to the 39.2% increase in net income last year.

Bankers Trust also moved up two notches to rank third, with \$1.84 million in compensation paid its top two executives. This was a jump of 25.9% from the \$1.46 million figure in 1984. Bankers Trust had an 21% gain in net income last year.

Citicorp, which had ranked second in 1984, fell to fourth place, with \$1.8 million in remuneration of its top two executives. This figure was up 10% from the \$1.63 million paid in 1984. In

1984, its former chairman and second highest paid banker in the nation, Walter B. Wriston, retired.

Among the top 50 firms in the listing, 12 are from New York; six are from California; five are located in Pennsylvania; four are in Ohio; three each are in Illinois, Massachusetts, North Carolina, and Texas; two each are in Minnesota and New Jersey; and one each in Arizona, Connecticut, Florida, Georgia, Hawaii, Michigan, and Rhode Island.

The emergence of the superregional banking institutions had very little im-

Salaries: Page 36 ➔



Duff & Phelps Inc.

Credit Ratings of Fixed Income Securities,
Commercial Paper, and now...

Certificates of Deposit

Bank of America Nat'l. Tr. & Svcs. Assn.
Bank of Hawaii
Bankers Trust Co.
Chase Manhattan Bank (N.A.)
Chemical Bank
Citibank, N.A.
Citizens & Southern Nat'l. Bank
Continental Ill. Nat'l. Bank
First City National Bank of Houston
First Interstate Bank of California
First National Bank of Boston
First National Bank of Chicago
First National Bank of Minneapolis

Duff 1-
Duff 1+
Duff 1
Duff 1
Duff 1+
Duff 1+
Duff 1+
Duff 1-
Duff 3
Duff 1
Duff 1+
Duff 1
Duff 1+
Duff 1

First Pennsylvania Bank, N.A.
Frost Nat'l. Bank of San Antonio
InterFirst Bank Dallas, N.A.
Manufacturers and Traders Trust Company
Morgan Guaranty Trust Co. of N.Y.
Security Pacific National Bank
Southeast Bank, N.A.
Texas Commerce Bank, N.A.
Trust Co. Bank
U.S. National Bank of Oregon
Valley National Bank of Arizona
Wachovia Bank & Trust Company, N.A.
Wells Fargo Bank, N.A.

Duff 2
Duff 1-
Duff 2
Duff 1
Duff 1+
Duff 1+
Duff 1
Duff 1-
Duff 1+
Duff 1+
Duff 1+
Duff 1+
Duff 1+
Duff 1

Reliability • Integrity • Independence

Our Commercial Paper/CD reports are issued quarterly to over 1,200 investors.

For more information, contact: Tom Schroeder, VP
Duff & Phelps Inc., 55 E. Monroe, Chicago, IL 60603
Phone: (312) 263-2610

Court . . .

➔ **Continued from Page 1**
had Penn Square Bank, an Oklahoma energy lender, issue a standby letter of credit.

But Penn Square failed on July 5, 1982, and when Orion failed to make good on its payment, Philadelphia Gear filed a claim against the FDIC.

The 10th U.S. Circuit Court of Appeals ordered the FDIC to pay \$145,200 to Philadelphia Gear based on its ruling that a letter of credit amounts to a deposit under federal law.

Justice Sandra Day O'Connor's majority opinion overturning the appeals court's order was rooted in an analysis of the FDIC's history. Congress' focus was in "safeguarding the assets and 'hard earnings' that businesses and individuals have entrusted to banks," Ms. O'Connor wrote. "This purpose is not furthered by extending deposit insurance to cover a standby letter of credit which involves no such surrender of assets or hard earnings."

Dissenting, Justice Thurgood Marshall wrote that the court's "common sense" conclusion relies on reading "qualifications into the statute that do

not appear there." Joining Mr. Marshall in the split decision were Harry Blackmun and William Rehnquist.

Bank lobbyists have been pressing Congress to clarify that standby letters are not deposits.

"We may fortify the Supreme Court's decision anyway," said M. Danny Wall, staff director on the Senate Banking Committee. The Senate panel is expected to take up an omnibus banking bill in June, Mr. Wall said.

Money center banks and other firms that have entered the standby-letter-of-credit business can "stop worrying about reserve requirements," said John Gill, the American Bankers Association's general counsel. The ABA filed an argument before the Supreme Court on behalf of the FDIC, as did the California Bankers Clearing House Association and the New York Clearing House Association.

"The fact that you won't have to hold reserves will help make them [standby letters] part of a complete array of financial services," said Richard Whiting, regulatory counsel at the As-

sociation of Bank Holding Companies. "The banking industry should be pleased."

"This removes a significant cloud from our heads," said C.G. Hagen, treasurer of United Virginia Bankshares, Richmond, which has issued about \$125 million worth of standby letters.

The business of issuing standby letters of credit has doubled in the last five years, from about \$49 billion to \$105 billion in 1985, according to figures from the FDIC. Exactly how large the market is, however, is subject to estimate because standby letters are off-balance-sheet activities that don't figure into a bank's normal financial accounting.

At multinational bank holding companies, this one off-balance-sheet activity accounts for as much as 15% of total assets, according to the FDIC.

The decision is likely to help the FDIC in its case against shareholders disgruntled after the failure of the Jake Butcher banking empire in Tennessee. In that case, known as *Allen v. the*

FDIC, William H. Allen and other shareholders of the Farmers Deposit Bank of Brandenburg, Ky., sold their shares to C.H. Butcher Jr. for a combination of cash and notes. Mr. Butcher's notes were backed by standby letters of credit issued by the United American Bank in Knoxville, run by C.H. Butcher's brother, Jake. Following the failure of United American, the FDIC rejected Mr. Allen's claim that the letters were insured deposits.

The Supreme Court decision "obviously helps us," said an FDIC attorney.

Tuesday's decision by the Supreme Court also removes a threat of taxation on municipal bond holders. Standby letters back up a sizable portion of the \$500 billion in outstanding municipal bonds, especially industrial revenue bonds and variable-rate municipal bonds.

The 1984 tax act eliminated the tax-exempt status of municipal bonds that are guaranteed in some way by the federal government. The new tax rule was delayed pending the Supreme Court decision. ■

Salaries . . .

➔ **Continued from Page 35**
pact on the rankings of the top 50 firms in executive compensation. The only superregional to make the list for the first time was the Bank of New England Corp., Boston. Executive pay of its top two officers rose 93.4% last year to move it 52 places to rank 37th, with \$987,737. Of that total, \$564,354 was received by Walter J. Connolly Jr., chairman of the corporation and of Connecticut Bank & Trust Co., Hartford. Peter H. McCormick, the vice chairman and president of the company and chairman of the Bank of New England, received \$421,383.

First Wachovia Corp. — a new company formed on Dec. 5, 1985, when Wachovia Corp., Winston-Salem, N.C., and First Atlanta Corp. merged — is also a new superregional in the listing. But Wachovia Corp. ranked 47th among the top 50 firms in executive pay in 1984. First Atlanta ranked 56th in executive pay that year.

In 1985, First Wachovia ranked 27th, with \$1.07 million paid to its two top officers. John G. Medlin, First Wachovia's president and chief executive officer, received \$540,000; and Thomas R. Williams, the company's chairman, received \$527,867. On a pro forma basis, First Wachovia would have ranked 26th in executive pay in 1984. ■

US Trust Co. of New York Names a New President

NEW YORK — H. Marshall Schwarz, 49, has been named president of the U.S. Trust Company of New York.

He succeeds Daniel P. Davison, 61, who will continue as chairman and chief executive officer.

Mr. Schwarz was group operating officer of the company's asset management business. Before that, he ran the trust banking group.

Mr. Schwarz joined the bank in 1967 from Morgan Stanley & Co.'s underwriting department. He was promoted to vice president of U.S. Trust in 1970, to senior vice president in 1972, and executive vice president in 1977. He was also elected to the board of trustees in 1977.

In other executive moves, U.S. Trust said James C. Bacon, Donald M. Roberts, and Frederick S. Wonham, currently executive vice-presidents, were elected to the the board of trustees, and Jeffrey S. Maurer was elected an executive vice president and group operating officer of the asset management group. ■

HATS OFF TO AMERICA'S BANKERS.

Thanks to your support, sales of U.S. Savings Bonds reached \$4 billion last year — the highest level since 1980. That's good news for all Americans.

By issuing U.S. Savings Bonds, you're helping the Treasury manage the national debt more effectively — while saving taxpayers' dollars. You're also offering your customers one more way to increase their savings. And remember, Bonds also help your customers save for larger investments that in turn enhance *your* assets.

The year ahead should be an even better one for U.S. Savings Bonds. As the re-designed Series EE Bond is

introduced throughout the country, it will make it easier to process Bonds — improving service to you and your customers.

We are grateful for your continued support of our program and your commitment to our nation's prosperity. As shareholders in America's future, each of us benefits from the role U.S. Savings Bonds play in building a strong, secure economy.

U.S. SAVINGS BONDS



Published by American Banker as a public service.

150222000015 6/23/86 C11
CONGRESSIONAL INFOR SREV SRI
ACQUIS EDITOR SRI
4520 E. WEST HIGHWAY
BETHESDA MD 20814

THIRD NATIONAL
CORPORATION
NASHVILLE, TENNESSEE